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AZ CORP COMMISSION  
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November 6, 2000

*Via Overnight Delivery*

Arizona Corporation Commission

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Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

**Re: Talk.com Holding Corp. d/b/a The Phone Company and also  
d/b/a Network Services of New Hope formerly known as Tel-  
Save, Inc. d/b/a The Phone Company and also d/b/a Network  
Services of New Hope  
Docket No. U-3342-97-129**

Dear Sir/Madam:

Enclosed please find the original and ten (10) copies of this letter outlining responses to a data request received by the Commission dated September 18, 2000 filed on behalf of Talk.com Holding Corp. d/b/a The Phone Company and also d/b/a Network Services of New Hope formerly known as Tel-Save, Inc. d/b/a The Phone Company and also d/b/a Network Services of New Hope.

- A. Please provide the value of all plant and equipment currently held by the company, intended to be used to provide telecommunications service to Arizona customers.

*Response:* The Company proposes to provide local exchange service in Arizona on an Unbundled Network Element Platform (UNE-P) basis. Consequently, the Company will not own any plant or equipment in Arizona which is relevant to this request.

- B. Please provide a description of each asset in your response to item A, including the assets cost and location.

*Response:* See response to A.

- C. Please provide the projected value of all plant and equipment to be used to provide telecommunications service to Arizona customers at the time the Company begins serving its first customer.

*Response:* See response to A.

- D. Please provide a description of each asset in your response to item C, including the assets cost and location.

*Response:* See response to A.

- E. Please explain how the value of the company's plant and equipment is related to the Company's proposed rates.

*Response:* The Company proposes to provide local exchange service in Arizona on a UNE-P basis, so the Company has no plant or equipment investments upon which to base rates for its proposed AZ operations.

Moreover, the Company recognizes that presently, and for the foreseeable future, its position in the local exchange market is that of a price-taker. In other words, for a non-dominant firm operating in a market with a price-leading dominant firm, the non-dominant firm must essentially accept the established rates. The non-dominant firm is not in a position for its costs to drive its rates in the way suggested by this request. Consequently, the Company has never – either for its own purposes or as required by a regulator – evaluated its cost/rate relationship in the manner requested.

Even as competition in the market grows, and the dominant firm's market power recedes, the Company's rates will not be driven by its costs as derived under a Fair Value Rate Base approach, but by the very market in which it operates.

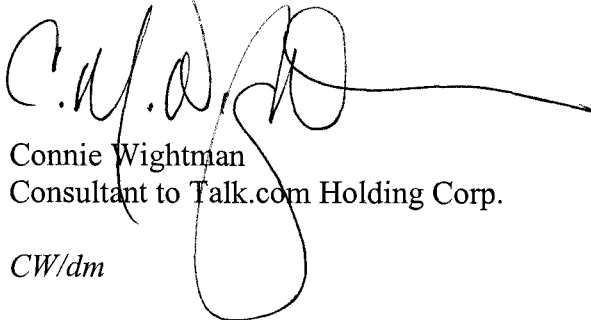
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Arizona Corporation Commission  
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Questions regarding this filing may be directed to my attention at (407) 740-8575.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it in the self-addressed, stamped envelope enclosed for this purpose.

Sincerely,

A handwritten signature in black ink, appearing to read 'C.W. Wightman', with a long horizontal flourish extending to the right.

Connie Wightman  
Consultant to Talk.com Holding Corp.

*CW/dm*

*Enclosures*

cc: Tina Tecce  
File Talk.com - AZ  
TMS: AZI0000a